

UNITED STATES GOVERNMENT

Memorandum

TO : Mr. Gebhardt

DATE: January 28, 1975

FROM : R. E. Long

1 - Mr. Gebhardt
1 - Mr. Long
1 - Mr. Yelchak
1 - Mr. McDermott

SUBJECT: [REDACTED] AKA, ET AL
PAUL ROTHERMEL, JR., ET AL - VICTIMS
INTERCEPTION OF COMMUNICATIONS;
OBSTRUCTION OF JUSTICE

Asst. Dir. _____
Dep. AD Adm. _____
Dep. AD Inv. _____
Asst. Dir.: _____
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Ext. Affairs _____
Files & Com. _____
Gen. Inv. _____
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Spec. Inv. _____
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Telephone Rm. _____
Director Sec'y _____

This is the case which is the subject of Jack Anderson's column (copy attached) which appeared in The Washington Post 1/27/75. It is alleged that Senator James O. Eastland (D-Miss.) may have received a \$50,000 to \$60,000 payoff to intervene with the Justice Department on behalf of Nelson Bunker Hunt [REDACTED] H. L. Hunt, the prominent billionaire who recently died. Alleged efforts of [REDACTED] and others to obtain the silence of 3 private detectives [REDACTED]

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[REDACTED]

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It is interesting to note that on 2/3/75, Senator Eastland telephonically contacted then Assistant to the Director C. D. DeLoach to inquire about prosecution in this case. Mr. DeLoach prepared a memorandum dated 2/3/75 recording this call and the fact that DeLoach advised the Senator the case was in the hands of the Criminal Division of the Department. [REDACTED] of the Criminal Division of the Department, who is presently handling this case, [REDACTED]

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ENCLOSURE

SEE ADDENDUM - PAGE 3

CONTINUED - OVER

57 FEB 21 1975 (5)

Memorandum to Mr. Gebhardt

RE: [REDACTED]

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S.A.

P.C.

P.C.

Concerning statements in the Jack Anderson column of 1/27/75, regarding Senator Eastland, we are aware of only the following: Contact of [REDACTED] as mentioned above; the statement by [REDACTED] as mentioned above;

[REDACTED]
We do not know of any cattle deal as alleged. We have no knowledge regarding Senator Eastland's contact with the Federal Parole Board as alleged in the Anderson column. [REDACTED]

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ACTION: For information.

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iel

Goy
[Signature]

Memorandum to Mr. Gebhardt

RE: [REDACTED]

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ADDENDUM BY EXTERNAL AFFAIRS

DWB:kjs *kjs*

1-28-75

Inspector Bowers saw Senator Eastland on the afternoon of 1-27-75 concerning another matter, and the Senator mentioned the charges made against him in the Anderson column of that date. The Senator commented that [REDACTED] are long time friends of his but said he certainly had never taken a bribe from them or anyone else. The Senator commented that he might request an FBI investigation of this matter. Bowers told him that it was his understanding the FBI already has in progress some investigation regarding [REDACTED]. The Senator was told that a check would be made to verify this and he would be recontacted as soon as possible. Senator Eastland indicated this would be fine. It is suggested Senator Eastland be furnished the information contained in the last paragraph of the memorandum to which this addendum is included and that the General Investigative Division advise the Criminal Division of the Department of Senator Eastland's inquiry.

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*Sen. Eastland advised
2-3-75.
DWB*

MG

DWB

OK
*Criminal Div. Dept.
advised. + LHM
confirming same
sent 1/28/75
DWB*

Cover-up Scandal Brewing in Dallas

By Jack Anderson
and Les Whitten

Another cover-up scandal is brewing behind the closed doors of a federal grand jury in Dallas.

It has some of the ingredients of the Watergate scandal, beginning with a bungled wiretap attempt. The wiretapper was caught on Jan. 16, 1970, and his trail led to oil billionaire Nelson Bunker Hunt. Thereafter, pressure allegedly was brought to keep Hunt's name out of the scandal.

Because the case has dragged on for years and powerful people have intervened in Hunt's behalf, we began checking into the secret grand jury proceedings. We have spent several weeks interviewing witnesses in Washington and Texas. We have read through thousands of pages of evidence, including sealed court documents, bank records and private papers.

One charge is that the Senate's owl, old president pro tempore, James O. Eastland (D-Miss.), may have "received a \$50,000 to \$60,000 payoff" to intervene with the Justice Department in Hunt's behalf. The charge has been denied by the senator.

Eastland not only is the Senate's senior member, he is also chairman of the Senate Judiciary Committee, which gives him enormous power over the Justice Department.

Hunt allegedly came to him for help in the wiretap case. The senator, it is alleged, called Richard G. Kleindienst, then the deputy attorney general. He, in turn, allegedly asked the head of the Criminal Division, Henry Petersen, about Hunt's involvement.

Petersen is alleged to have reported back to Kleindienst that both Bunker Hunt and his brother, Herbert, probably would be indicted. Kleindienst is said to have passed this information to Eastland, who notified Bunker Hunt.

After Eastland's inquiry, Justice stalled the case. But in 1973, the department realized the lid was about to blow and had the Hunt brothers indicted.

A potential witness against them was the wiretapper, Patrick McCann, who already had been jailed on the wiretap charge. On Jan. 8, 1974, Hunt urged Eastland to inquire about the possibility of a parole for McCann.

"I have been told," the billionaire wrote, "it is not out of or-

der for an inquiry to be made . . . of Federal Parole Board Chairman Maurice Sigler.

The Federal Parole Board, it happens, also comes under Eastland's sway as Senate Judiciary chairman. Not long after Hunt requested it, the senator's administrative assistant, Courtney Pace, contacted the board about a parole for McCann.

On Jan. 14, 1974, a "Dear Bunker" letter was mailed to Hunt, over Eastland's signature, advising him that the contact with the parole board had been made.

McCann, meanwhile, is alleged to have been told that Bunker Hunt had paid off Eastland to arrange the parole. McCann got this impression, according to sworn testimony, through John Curington, a close and trusted assistant to Hunt's father, the late H. L. Hunt.

Asked under oath whether Hunt had slipped any cash to Eastland, the wiretapper testified: "If it was, it wasn't but \$50,000 or \$60,000. It was tiny compared to everything else."

An attorney in the case, Jerry Patchen, testified "that Sen. Eastland received a \$50,000 to \$60,000 payoff." At another point in the testimony, Patchen said: "I've also heard that there

was a cattle deal involved with Eastland."

The lawyer noted "that Eastland sent a letter to the parole board of McCann's behalf, which is kind of unusual for a Mississippi senator to send a letter for a Texas wiretapper who he has never met."

Eastland flatly denied that he had received any money from Hunt. The billionaire, although a close friend, hadn't even contributed to his campaign, Eastland told us.

The senator acknowledged that he had called Kleindienst but insisted he had asked nothing but "a square deal" for Hunt. "They will tell anybody," said Eastland, "if they are under investigation."

The contact with the parole board, said the senator, was news to him. His administrative assistant also told us the letter, about the parole, though it bore Eastland's signature, had gone out without the senator's seeing it.

A spokesman for Hunt joined in denying the charge that the billionaire had paid off Eastland. It would be unthinkable, the spokesman said, for money to pass between two close friends.

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The Washington Merry-Go-Round

Big Names Linked to Texas Scandal

**By Jack Anderson
and Les Whitten**

Some prominent names have been linked to a Texas scandal which involves a bungled wire-tap operation, a cover-up attempt and some accompanying shenanigans.

After weeks of investigation, we have now dug details out of unpublished court records and sealed grand jury evidence.

The roots go back to the late oil curmudgeon, billionaire H. L. Hunt, whose children and aides split up in a struggle over his wealth. One faction was led by the Hunt brothers, Bunker and Herbert, who suspected another faction of siphoning funds from the old man's empire.

To satisfy their suspicions, the government charges, they hired wiretappers, who botched the job. A wiretapper, spotted outside the house of a former Hunt executive, was arrested Jan. 16, 1970. The trail led to the two Hunt brothers, who allegedly began pulling political wires to keep their names out of the scandal.

We have already reported the sworn testimony of two witnesses who told possible of a

\$50,000 to \$60,000 payoff to the powerful Senate Judiciary chairman James O. Eastland (D-Miss.), whose committee has jurisdiction over the Justice Department. He allegedly made calls in behalf of the Hunt brothers to Richard G. Kleindienst, who was then deputy attorney general, and to House Appropriations Chairman George Mahon, whose nephew, Eldon Mahon, was one of the prosecutors.

Kleindienst is said to have called both the head of the Criminal Division, Will Wilson, and Wilson's aide, Henry Petersen, about the case. Wilson and Mahon then allegedly spoke to Mahon's prosecutor nephew. All deny that they bought any political pressure to help Hunt. Eastland also swears that he never received a cent from the Hunts, except a fair market price for some Charolais cattle.

The Hunt brothers were indicted on Feb. 28, 1973. Both have pleaded innocent. Bunker subsequently allegedly asked Eastland to inquire about a parole for Patrick McCann, one of the jailed wiretappers, whose testimony could be damaging to the Hunts. An Eastland aide, Courtney Pace, sounded out the

The Washington Post B-11
 Washington Star-News _____
 Daily News (New York) _____
 The New York Times _____
 The Wall Street Journal _____
 The National Observer _____
 The Los Angeles Times _____

Date JAN 28 1975

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federal Parole Board about McCann.

Here are a few other allegations in the case.

- There is sworn testimony that Bunker Hunt discussed his pending prosecution with President Nixon at a barbecue, which former Treasury Secretary John Connally threw at his Texas ranch. A former Hunt employee was also quoted in testimony as alleging that Connally got fat legal fees and a bonus cattle deal from Bunker Hunt "to disguise a payoff" for his backstage help in the case. A Hunt spokesman said the multimillionaire had business dealings with Connally but denied a payoff of any kind. At the barbecue, Hunt merely exchanged amenities with the President in a reception line, the spokesman said. We were unable to reach Connally for his comment.

- The case almost broke in open court last March when a lawyer started telling federal Judge John Singleton in Houston about his suspicions of a cover-up. The judge silenced him. "I am liable to get the marshal up here and just put you in jail for making that remark," the judge said. Singleton told us, in retrospect, this may

have been "unwise."

- A witness swore that lawyers hired by the Hunts offered him \$1,250 a month if he would go to jail and keep his mouth shut. A second witness testified that he was also offered \$1,250 a month for his silence, and a third witness said he was offered \$800 a month. The money was never paid, but the Hunts allegedly picked up the lawyers' fees for potential witnesses in the case, according to testimony.

- Two witnesses in the case swore they were threatened with death if they testified against the Hunts. One said he was told that "the government can't help you if are dead." The other testified he received a warning that he would "get killed if you doublecross the Hunts." A Hunt spokesman called the charge absurd, pointing out that both witnesses testified and remained quite alive.

The Justice Department is officially silent on the case. But their court filings in Dallas state that Bunker Hunt and some of his associates "are the subject of the grand jury's investigation of obstruction of justice."

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February 5, 1975

GENERAL INVESTIGATIVE DIVISION

Attached concerning efforts of Washington Field Office to arrange interviews of Senator James O. Eastland (Democrat - Mississippi) and others in connection with our investigation into Obstruction of Justice (OOJ) aspects of case concerning Nelson Bunker Hunt, [redacted] and others.

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Attached reports that Senator Eastland will probably be interviewed on 2/11/75, according to his attorney [redacted] since Eastland is scheduled to leave Washington, D.C., on Wednesday afternoon, 2/5/75, for Mississippi. Interview of [redacted] is being coordinated through the Watergate Special Prosecutor's Office and Departmental Attorney [redacted]

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Interview of former Attorney General (AG) Richard Kleindienst scheduled for 2/6/75. Congressman George Mahon (Democrat - Texas) interviewed and admitted receiving telephone call from Senator Eastland who requested that Mahon ask his nephew, Eldon Mahon, U.S. Attorney, Northern District of Texas, to talk to then AG Kleindienst about the Hunt case. Former Assistant Attorney General Henry E. Petersen is out of town and not due to return for two weeks, therefore, his interview being held in abeyance.

TFM:erg

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REG/ML

gma [signature] [signature] [signature]

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